

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: January 29, 2008

**Re: Public Service Enterprise Group, Inc. (PEG) - 2 for 1 Stock Split**

Public Service Enterprise Group, Inc. (PEG) has declared a 2 for 1 stock split payable to share holders of record on Friday, January 25, 2008. Distribution date for the stock split will be Monday, February 4, 2008. **Ex-distribution date for the stock split will be Tuesday, February 5, 2008.**

The Options Clearing Corporation (OCC), pursuant to OCC By-Laws, intends to issue on the distribution date (1) additional PEG option contract for each option contract held. Further, on the ex-distribution date each PEG series will have an adjusted exercise (strike) price equal to 1/2 of the exercise (strike) price for each PEG series existing on the business day preceding the ex-distribution date. For example, beginning on Tuesday, February 5, 2008 an account holding (2) PEG FEB 85 calls (PEG BQ) will hold (4) PEG FEB 42 1/2 calls (PEG BV). Customers should be advised that (1) contract in the adjusted PEG series will still represent 100 shares of PEG common shares.

**POSITION/EXERCISE LIMITS:**

Position and exercise limits will change from 250,000 to 500,000 contracts until the expiration date of September 20, 2008

**GOOD-TILL-CANCELLED (GTC) ORDERS:**

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

The resulting list of adjusted strike prices and symbols is as follows:

Public Service Enterprise Group, Inc. (PEG) (Before 2/5/2008) (1 Contract)					Public Service Enterprise Group, Inc. (PEG) (Beginning 2/5/2008) (2 Contracts)				
			Calls	Puts			Calls	Puts	
PEG	FEB	85	BQ	NQ	PEG	FEB	42 1/2	BV	NV
PEG	FEB	90	BR	NR	PEG	FEB	45	BI	NI
PEG	FEB	95	BS	NS	PEG	FEB	47 1/2	BW	NW
PEG	FEB	100	BT	NT	PEG	FEB	50	BJ	NJ
PEG	FEB	105	BA	NA	PEG	FEB	52 1/2	BX	NX
PEG	FEB	110	BB	NB	PEG	FEB	55	BK	NK
PEG	FEB	115	BC	NC	PEG	FEB	57 1/2	BY	NY
PEG	MAR	65	CM	OM	PEG	MAR	32 1/2	CA	OA
PEG	MAR	70	CN	ON	PEG	MAR	35	CG	OG
PEG	MAR	75	CO	OO	PEG	MAR	37 1/2	CU	OU
PEG	MAR	80	CP	OP	PEG	MAR	40	CH	OH
PEG	MAR	85	CQ	OQ	PEG	MAR	42 1/2	CV	OV
PEG	MAR	90	CR	OR	PEG	MAR	45	CI	OI
PEG	MAR	95	CS	OS	PEG	MAR	47 1/2	CW	OW
PEG	MAR	100	CT	OT	PEG	MAR	50	CJ	OJ
PEG	MAR	105	CA	OA	PEG	MAR	52 1/2	CX	OX
PEG	MAR	110	CB	OB	PEG	MAR	55	CK	OK
PEG	MAR	115	CC	OC	PEG	MAR	57 1/2	CY	OY
PEG	MAR	120	CD	OD	PEG	MAR	60	CL	OL

Public Service Enterprise Group, Inc. (PEG)  
 (Before 2/5/2008)  
 (1 Contract)

			Calls	Puts
PEG	JUN	70	FN	RN
PEG	JUN	75	FO	RO
PEG	JUN	80	FP	RP
PEG	JUN	85	FQ	RQ
PEG	JUN	90	FR	RR
PEG	JUN	95	FS	RS
PEG	JUN	100	FT	RT
PEG	JUN	105	FA	RA
PEG	JUN	110	FB	RB
PEG	JUN	115	FC	RC
PEG	JUN	120	FD	RD
PEG	JUN	125	FE	RE
PEG	JUN	130	FF	RF
PEG	SEP	75	IO	UO
PEG	SEP	80	IP	UP
PEG	SEP	85	IQ	UQ
PEG	SEP	90	IR	UR
PEG	SEP	95	IS	US
PEG	SEP	100	IT	UT
PEG	SEP	105	IA	UA
PEG	SEP	110	IB	UB

Public Service Enterprise Group, Inc. (PEG)  
 (Beginning 2/5/2008)  
 (2 Contracts)

			Calls	Puts
PEG	JUN	35	FG	RG
PEG	JUN	37 1/2	FU	RU
PEG	JUN	40	FH	RH
PEG	JUN	42 1/2	FV	RV
PEG	JUN	45	FI	RI
PEG	JUN	47 1/2	FW	RW
PEG	JUN	50	FJ	RJ
PEG	JUN	52 1/2	FX	RX
PEG	JUN	55	FK	RK
PEG	JUN	57 1/2	FY	RY
PEG	JUN	60	FL	RL
PEG	JUN	62 1/2	FZ	RZ
PEG	JUN	65	FM	RM
PEG	SEP	37 1/2	IU	UU
PEG	SEP	40	IH	UH
PEG	SEP	42 1/2	IV	UV
PEG	SEP	45	II	UI
PEG	SEP	47 1/2	IW	UW
PEG	SEP	50	IJ	UJ
PEG	SEP	52 1/2	IX	UX
PEG	SEP	55	IK	UK

**Any additional PEG series that are added prior to the ex-date will also be adjusted in the manner described above.**

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2,  
 or (215) 496-5380.